

Part III Actuarial Memorandum

Baptist Health Plan, Inc.

Individual Rate Filing

Effective January 1, 2017

REDACTED

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I. General Information

Scope and Purpose

This document contains the Part III Actuarial Memorandum for Baptist Health Plan, Inc.'s (BHP's) individual block of business, effective on or after January 1, 2017. These individual rates are guaranteed for 12 months after the effective date. This actuarial memorandum is submitted in conjunction with the Part I URRT (URRT) and the Part II Written Description Justifying the Rate Increase.

The purpose of the actuarial memorandum is to provide certain information related to the submission, including support for the values entered into the URRT, which supports compliance with state and Federal market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

The information in this actuarial memorandum has been prepared for the use of BHP by Evolent Health. We understand that this actuarial memorandum will be provided to the Kentucky Department of Insurance and their subcontractors to assist in the review of BHP's rate filing process. We understand that the information provided may be considered public documents, and, as such, may be subject to disclosure to other third parties. Evolent makes no representations or warranties regarding the contents of this actuarial memorandum or rate filing to third parties. Likewise, third parties are to place no reliance upon this actuarial memorandum or rate filing prepared for BHP by Evolent that would create any legal duty under any theory of law by Evolent to any third party.

The results are actuarial projections. Actual experience is likely to differ for a number of reasons, including population changes, claims experience and random deviations from assumptions.

Company Identifying Information:

- Company Legal Name: Baptist Health Plan, Inc.
- State: Kentucky
- HIOS Issuer ID: 40586
- Market: Individual
- Effective Date: January 1, 2017

Company Contact Information:

- Primary Contact Name: Nathan Baehr
- Primary Contact Telephone Number: 571-248-9249
- Primary Contact Email Address: NBaehr@evolenthealth.com

II. Description of Base Rate

Attachment 1 of the appendix shows the development of the base rate. Further details on how the base rate is determined can be found in Section VII. Credibility Manual Rate Development and Section XI. Non-Benefit Expenses and Profit & Risk. Following is a description of the methodology used to determine the base rate:

1. The rates for the products were developed from small group experience data, adjusted to the individual market and projection period (further described in Section VII. Credibility Manual Rate Development).
2. Non-benefit expense, profit and risk are applied to the projected claims costs to determine the required projection period premium. The non-benefit expenses are shown in Attachment 5 – Administrative Expenses.
3. The average rating factors in the projection period are applied to the projection period premium to determine the base rate. The average rating factors are shown in Attachment 6: Calibration Factors.

4. The base rate represents the average allowed amount for an age 21 non-tobacco user in BHP's service area.

Premiums at the member level are determined by multiplying the base rate by the applicable factor for each of the allowable rating criteria:

- Area (Attachment 8),
- Age (prescribed standardized factors shown in Attachment 9),
- Tobacco Use (Attachment 9) and
- Benefit plan (Attachment 11).

An example of this calculation is shown in Attachment 14 – Sample Rate Calculation.

III. Proposed Rate Increase(s)

The average proposed rate increase is 27.9%. The rate increase includes adjustments for:

- Changes in benefit design
- Medical cost and utilization trends
- Expiration of the Federal Transitional Reinsurance Program
- Changes to projected ACA risk adjustment transfer amounts
- Differences between originally anticipated and actual reported tobacco usage
- Changes in taxes, fees and other non-benefit expenses

The proposed rates increases vary by plan, ranging from 21.3% to 45.8%. Although rates are based on a single risk pool, rate increases may vary by plan due to changes in plan design that vary by plan and changes in non-benefit expenses that are applied on a fixed PMPM basis. The proposed rate increases by plan are shown in Worksheet 2 of the URRT.

IV. Experience Period Premium and Claims

Not applicable. BHP's individual product line was effective on January 1, 2016. As of the time of filing, premium and claims experience was too immature to utilize for 2017 rate development.

V. Benefit Categories

The benefit categories shown in the URRT have the same meanings as specified in the URRT instructions. Other Medical does include about 50% of all Mental Health and Substance Abuse claims which are paid by an outside vendor on behalf of BHP and thus this data category includes a mixture of claims types (IP, OP, Professional, etc.). Mental Health and Substance Abuse Claims paid directly by BHP are included in the appropriate medical categories.

VI. Projection Factors

A number of adjustments were necessary to appropriately project claims costs. These adjustments are also summarized in Attachment 1 and briefly discussed below.

- Medical utilization and unit cost increases are expected as reflected in Attachment 7 – Trend Development.

- A clinical savings adjustments was used to reflect population improvement programs that will be effective during in 2017.
- The change in benefit richness reflects the expectation that groups will migrate to lower AV plans.
- An expectation for ACA risk adjustment transfer amounts has been included and is discussed in more detail in Section X. Risk Adjustment and Reinsurance.
- A tobacco adjustment factor was applied to reflect the difference between tobacco usage that had originally been assumed in the 2016 BHP Individual filing and the actual reported tobacco usage of BHP's Individual population observed in 2016.
- No changes to average demographics (age or area) are expected.

VII. Credibility Manual Rate Development

Given that BHP's individual product line was effective as of January 1, 2016 and is too new to be credible, we started with non-grandfathered small group (2-49 employees) experience as the basis for developing manual rates for the individual market. Following is a description of the experience used, as well as adjustment factors used to arrive at the projected individual market rates.

Paid Through Date: January 31, 2016

Allowed and Incurred Claims Incurred During the Experience Period: The general methodology was to analyze the non-grandfathered 2-49 Small Group experience incurred for the 12 month period January 1, 2015 through December 31, 2015 with claims payments through January 2016. This experience was treated as fully credible except for the pooling of claims over \$100,000 for which all BHP insured business was utilized.

Paid claims during this period were adjusted to account for incurred but not paid claims using standard actuarial methods, including completion factors and PMPM projection methods. This methodology also includes total allowed amounts and member paid amounts for fee-for-service claims. For capitated services, the allowed amount is assumed equal to the capitation amount. For drugs, the total allowed is determined as the sum of the plan paid plus the member paid amounts. Attachment 2 shows the monthly IBNR dollar amounts included in the incurred claims estimates that generated the incurred claims shown in Attachment 1.

Provider Contracts: The provider contracts for these products are not based on discounted charges. The contracts use capitation rates, fee schedules, per diem rates and a limited number of percentage of charge arrangements with inflationary limits (primarily for some outpatient hospital services).

A number of adjustments were necessary to appropriately project claims costs for the individual market. These adjustments are also summarized in Attachment 1 and briefly discussed below.

- Medical utilization and unit cost increases as reflected in Attachment 7 – Trend Development.
- The individual market morbidity is determined using consolidated age and gender distribution tables that reflect true underlying morbidity relative to the allowable age curve table.
- The individual products will only be available on BHP's narrow network. The provider contract changes adjustment reflects the expected utilization and unit cost level of the narrow network compared to the broad network.
- The change in benefit richness reflects the expectation that individuals will, on average, purchase plans with lower AVs than reflected in the current small group experience.
- No changes to covered benefits are anticipated.
- The actual demographics (age and area) for BHP's individual membership as of January 2016 were used.

VIII. Credibility of Experience

Not applicable. BHP's individual product line was effective January 1, 2016, and as of the time of this filing is too new to have any credibility.

IX. Paid to Allowed Ratio

The Paid to Allowed Average Factor in the Projection Period for the market is shown on Worksheet 1, Section III. Paid to allowed ratios were developed by calculating the net paid amount divided by the gross allowed amount, where amounts are summed across all plans and all projected enrollees.

X. Risk Adjustment and Reinsurance

This section includes information related to the experience and methodology used to estimate risk transfer payments and charges, and reinsurance amounts that are incorporated in Worksheet 1, Section III and Worksheet 2, Section IV.

Projected Risk Adjustments:

The risk adjustment fee is shown in Attachment 4 – Risk Adjustment – Contributions and Payments.

With CMS's release of the *"Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year"* in mid-2015, BHP has greater insight into the overall risk level of the Kentucky individual market.

Starting with the 2014 CMS report, we adjusted three factors in order to project risk adjustment transfers for the 2017 period. These adjustments included:

- **Market Risk Score:** We assumed a gradual increase in risk score of 6% (2% per year), as other issuers continue to improve upon coding of conditions included in the risk score calculation between 2014 and 2017.
- **Plan Specific Risk Score:** Data have shown that new and smaller issuers like BHP often face risk adjustment transfer payments larger than morbidity differences alone would explain. We believe this is due to a lack of experience with risk adjustment coding compared to larger, more established plans. This places BHP at a disadvantage in the early years of offering individual products, a disadvantage which is expected to narrow gradually over time as BHP begins engaging in retrospective and prospective efforts to optimize their risk score. We assumed a 15% increase in risk score through 2016 and 2017 due to risk score coding optimization. We expect greater potential risk score improvement for BHP than for other Kentucky issuers, whom we believe are already engaged in some level of retrospective and prospective coding efforts, thus providing less opportunity for continued improvement.
- **Statewide Premium Trend:** We assumed overall premium trend increases over the prior year of 3.2%, 7.1% and 12% for 2015, 2016 and 2017, respectively. Increases for 2015 and 2016 are based on data from Kaiser Family Foundation on changes in the lowest cost Silver Plan premiums for a 40-year old in Kentucky. The assumed premium increase for 2017 is an estimate based on the impact of annualized trend and the 2017 expiration of two of the three ACA premium stabilization programs.

Other elements of the statewide risk adjustment transfer payment (the actuarial value, allowable rating factors, induced demand factors and geographic cost factors) were assumed to remain at the same level as 2014. BHP's actuarial value, induced demand factors and geographic cost factors were assumed to match the statewide factors, while BHP's allowable rating factor was assumed to be slightly higher (0.3%) than the statewide average, based on the actual allowable rating factor difference observed between BHP's small group block and the statewide average.

We projected a risk transfer payment of \$19.66 PMPM, inclusive of the \$0.13 fee. This is detailed in Exhibit 4 – Risk Adjustment– Contributions and Payments and displayed in the URRT in Wksh 1 – Market Experience, row 35, "Projected Risk Adjustments PMPM".

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The ACA transitional reinsurance risk mitigation program concludes at the end of 2016. Accordingly, funds are no longer collected from insurance issuers and expected reinsurance recoveries no longer exist to offset a portion of projected claims expense for the individual market. The lack of transitional reinsurance recoveries was one contributor to the proposed rate increase in Section III – Proposed Rate Increase(s).

XI. Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

The proposed rates reflect the administrative load detailed in Attachment 5 – Administrative Expenses. Administrative expenses were developed based on an analysis of historical administrative expenses, as well as anticipated changes in fees to third-party vendors.

Contribution to Surplus & Risk Margin:

The proposed rates reflect 2% as a Contribution to Surplus and Risk Margin.

Taxes and Fees:

The following taxes and fees are included in the non-benefit expenses, displayed in Attachment 5 – Administrative Expenses.

- Patient-Centered Outcomes Research Institute (PCORI) Fee: The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund.
- Insurer Tax: The health insurance industry will be assessed a permanent fee, based on the market share of net premium which is not tax deductible. The Insurer Tax would typically be developed based on BHP's current share of the market. However, for 2017 only the Insurer Tax has been suspended and is not included in projected administrative cost for 2017.
- Exchange User Fee: The Exchange User fee is 1.5% in 2017. The fee was pro-rated to the portion of 2017 membership that is projected to be on exchange, resulting in a final Exchange User fee of 1.44%.
- GAP Fee: The GAP fee applies to all business, both on and off exchange.

XII. Projected Loss Ratio

The projected Federal MLR for the products in this filing is estimated in Attachment 15 – Federal MLR Projections. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes.

XIII. Single Risk Pool

A single risk pool was used in developing the manual rates. All adjustments to the data described in Section VII. Credibility Manual Rate Development were applied at the market level.

XIV. Index Rate

The experience period index rate is shown in Worksheet 1, Section I of the URRT. The experience period index rate is the same as the experience period allowed claims (shown in the same section of the URRT). Only essential health benefits were covered during the experience period.

The index rate for the projection period is shown on Attachment 1 – Base Rate Development and calculated by taking the projected incurred claims (development described in Section VI. Projection Factors) and dividing by the average pricing AV, which is described in Section XVI. Plan Adjusted Index Rates. No benefits in excess of essential health benefits are included in the projection period allowed claims. No adjustments were required for Essential Health Benefits.

All state mandated benefits are also assumed to be covered in the index rate, including:

- Coverage for amino acid modified preparations and low-protein modified food products for the treatment of inherited metabolic disorders in accordance with KRS 304.17A-139(4);
- Hearing aids and related services in accordance with KRS 304.17A-132;
- Anesthesia and hospital or ambulatory surgical facility services in connection with dental procedures in accordance with KRS 304.17A-149 and
- Medical and surgical benefits with respect to mastectomies pursuant to KRS 304.17A-134.

Since BHP's claims experience period begins after these mandates were originally required, the cost of these mandated benefits is already reflected in the data.

XV. Market Adjusted Index Rate

The Market Adjusted Index Rate development is shown in Attachment 12 – Market Adjusted Index Rate Development. The following market-wide adjustments to the Index Rate were applied:

- Net risk adjustment transfer amount and fee (Attachment 4)
- GAP fee and Exchange User fee (% of premium shown in Attachment 5 applied to composite premium shown in Attachment 1)

XVI. Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT and shown in Attachment 13 – Plan Adjusted Index Rates and Consumer Adjusted Premiums. The following adjustments were applied to the Market Adjusted Index Rate to derive the Plan Adjusted Index Rates:

- Actuarial value and cost sharing adjustment (plan adjustment)
 - Cost sharing adjustments were based on plan design, with estimates of the impact of various cost sharing features, including utilization differences, based on the *Milliman 2016 Health Cost Guidelines (HCGs)*. The HCG AVs were further adjusted to reflect employer contributions to HSAs/HRAs and lower expected utilization in HSA/HRA plans. The cost sharing adjustment also makes an adjustment for non-tobacco user status (the portion of the cost that is expected to be recouped through the tobacco surcharge was removed). Differences due to health status were not used. The final pricing AVs are shown in Attachment 11.
 - Plan level adjustments to the HMO plans were used to reflect the provider contracts in the narrow network.
 - The impact of expected risk adjustment transfer amounts was included.
 - Adjustments for distribution and administrative costs were applied to derive the Plan Adjusted Index Rates. See Attachment 5 for the average administrative costs used. (The GAP fee and Exchange User fee shown on Attachment 5 were applied at the Market Level.)

The cost sharing adjustment as displayed on Attachment 13 is the cost sharing adjustment for each plan, applied to an allowed cost that already includes market-wide adjustments for the non-EHB benefits, risk adjustment, GAP fee and Exchange User Fee. The cost sharing adjustment on Attachment 13 will not correspond to the pricing AV values in Attachment 11 and on the URRT, because the pricing AV values on the URRT are applied to a pure allowed cost number.

XVII. Calibration

The Plan Adjusted Index Rates must be calibrated to calculate Consumer Adjusted Premium Rates. The calibration value used is described below.

- Age Curve Calibration – The average age is based on actual BHP individual membership for January 2016. The standard age curve (Attachment 9 – Age and Tobacco Factors) was weighted with the enrollment by age to determine the age curve calibration shown in Attachment 6 – Calibration Factors.
- Geographic Factor Calibration – The single risk pool was based on actual distribution of enrollees across Kentucky's rating areas. The proposed area factors (Attachment 8 – Area Factors) were weighted with BHP individual enrollment for January 2016 by ACA rating area to determine the area calibration shown in Attachment 6 – Calibration Factors.

Calibration was applied uniformly to all plans.

XVIII. Consumer Adjusted Premium Rates

Consumer adjusted premium rates are calculated using the formula and example shown in Attachment 14 - Sample Rate Calculation. A development of the minimum and maximum premiums are shown in Attachment 16 – Minimum and Maximum Premiums.

XIX. AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I URRT were based on the Federal AV Calculator.

Certain plans with both a member copay and coinsurance for Inpatient Services and Emergency Room were adjusted to actuarially-equivalent coinsurance levels for input in the AV calculator.

XX. AV Pricing Values

The AV Pricing Values are shown in Worksheet 2, Section I of the URRT.

For each plan, we have indicated the portion of the AV Pricing Value that is attributable to each of the allowable modifiers to the index rate, as described in 45 CFR Part 156, §156.80(d)(2), in Attachment 13 – Plan Adjusted Index Rates and Consumer Adjusted Premiums. There were no adjustments for benefits in addition to the EHBs or catastrophic plan adjustments, so these allowable modifiers are not shown.

The induced utilization factors included in the cost sharing factors are based on the HCGs. The HCGs have standard factors by service category level, which are applied based on cost sharing by service category. We applied the HCG factors consistently across plans, ensuring that health status is not included in the development.

XXI. Membership Projections

Membership projections were developed primarily by BHP staff, and were based on current individual enrollment. Projections were reviewed for reasonability, specifically how projections compared to current BHP membership, the distribution of projected membership by metal level and the mapping of members from terminating plans to new plans. Enrollment projections included expected terminations, as well as new enrollment. Based on my review, the membership projections are reasonable. The projected enrollment by plan can be found in Worksheet 2, Section II of the URRT.

Membership projections anticipate Kentucky's move from the current state-based exchange in 2016 to the Federally-Facilitated Marketplace in 2017.

XXII. Terminated Products

The list of terminated products is shown on Attachment 16 – Terminated Plans.

XXIII. Plan Type

The Plan types listed in Worksheet 2, Section I of the Part I URRT describe the issuer's plans.

XXIV. Warning Alerts

The following differences between the plan-level projections in Worksheet 2 and the total projected amounts found in Worksheet 1 were noted. Explanations regarding these differences are as follows:

- Since the plans in this filing are all new, there is no experience to enter into Section I and II on Worksheet 1 on the URRT. We have bypassed validation errors by entering 1's into these sections.
- There is a Warning alert in rows 83 of Section IV on Worksheet 2 of the URRT. This is due to the Plan Adjusted Index Rate being adjusted to remove the portion of the cost that is expected to be recouped through the tobacco surcharge, while the data entered on Worksheet 1 does not make this adjustment. This difference also exists for row 81 (although row 81 doesn't trigger a warning).

XXV. Effective Rate Review Information

Not applicable.

XXVI. Reliance

In the preparation of this filing, I relied on data and other information provided by BHP, including:

- Administrative expenses and fees
- Projected monthly enrollment
- Shock claims and pooling information
- Anticipated pharmacy rebates
- Provider fee schedules for BHP contracted facilities
- Anticipated changes to capitation rates

Additionally, I relied on data supplied by Milliman to develop the pricing AVs, including benchmark costs, utilization, geographic rating factors and utilization adjustment factors. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of the analysis may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in the analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of the assignment.

XXVII. Actuarial Certification

I, Nathan Baehr, am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of Baptist Health Plan, Inc. (BHP) to comply with requirements promulgated by CCIIO and Kentucky statute.

I am affiliated with Evolent Health, Inc. ("Evolent"), an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer or a trade association of health plans or insurers. BHP engaged me to provide the opinion herein.

I hereby certify that the projected index rate is, to the best of my knowledge and understanding,:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice,
- Reasonable in relation to the benefits provided and the population anticipated to be covered and
- Neither excessive nor deficient.

Differences between projections in this analysis and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

I certify that the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

I certify that the geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I URRT for all plans except those specified in Section XIX. AV Metal Values. A copy of the actuarial certification required by 45 CFR 156.135 is included.

I certify that the information prepared in this filing is prepared in accordance with American Academy of Actuaries Actuarial Standard of Practice No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans, applicable to the following markets:

- a. Individual,
- b. Association and
- c. Small group.

I certify that the proposed rates meet the requirements of KRS 304.17A-0952 or 304.17A-0954, as applicable.

The Part I URRT does not demonstrate the process used by the issuer to develop the rates. Rather, they represent information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans, and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

The analysis in this memorandum is based on my current understanding of federal and state rules and regulations. To the extent that these rules and regulations continue to evolve, my work may be subject to change.



Nathan Baehr, FSA, MAAA

April 27, 2016

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Direct 571-248-9249

Baptist Health Plan, Inc.

Individual Rate Filing

Effective January 2017

Attachment 1: Base Rate Development

Experience period data (CY 2015 paid through January 2016):

Member Months	Non-Grandfathered	
	Groups 2-49	
	55,958	
	Total \$s	PMPM
Fee For Service Incurred Claims	\$15,189,071	\$271.44 Att 2
+ Prescription Drug Paid Claims	\$3,373,141	\$60.28 Att 2
+ Capitations	\$131,234	\$2.35 Att 2
Total Incurred Claims	\$18,693,446	\$334.06
x Pooled Claims Large vs Small Group (100K)		0.972
x Drug Rebates		0.978
Net Incurred Claims		\$317.68

Adjustments

x Age/Gender adjustment from experience to projection period	1.196	calculated using MCRM age/gender factors
x Area adjustment from experience to projection period	0.947	
x Trend factor for 24 months	1.134	Att 7
x Morbidity Adjustment	1.000	
x Clinical savings from quality improvement programs	0.991	
x Provider Contract Changes	0.854	
x Change in benefit richness	0.890	
Projected Incurred Claims	\$307.49	
+ Risk Adjustment - Contributions and payments	\$19.79	Att 4
+ \$ Admin	\$51.20	Att 5
÷ (1-% Retention)	2.94%	Att 5
Required premium in projection period	\$389.94	
÷ Calibration factor	1.75	Att 6
÷ Average Tobacco Rating Factor	1.07	Att 6
Required base rate (average plan level - age 21 - non-smoker)	\$209.75	
Traditional Loss Ratio	84%	
Projected Incurred Claims (reflects only EHBs)	\$307.49	
÷ Average Pricing AV	0.709	
Index Rate (Projected Allowed Claims reflecting only EHBs)	\$433.58	

Individual Rate Filing
Effective January 2017
Attachment 2: Claims Experience - Non Grandfathered 2-49
Incurred January 1, 2015 through December 31, 2015, paid through January 31, 2016

Incurred January 1, 2015 through December 31, 2015, paid through January 31, 2016															Total Medical + Drugs less rebate				Total Medical + Drugs less rebate				Total Medical + Drugs less rebate			
Incurred Date	Contracts	Members	FFS Inc'd&Pd	Completion Factor	IBNR	FFS Inc'd Claims	RxD Claims	Capitalized Claims	Total Incurred Claims	Benefit Adj.	Normalized Incurred Claims	Rx Rebates	Total Incurred less Rebates	Earned Premium	One Month		Three Months		Twelve Months							
															Inc'd Claims PMPM	Earned Premium PMPM	Inc'd Claims PMPM	Earned Premium PMPM	Inc'd Claims PMPM	Earned Premium PMPM	Inc'd Claims PMPM	Earned Premium PMPM				
Jan-13	4,917	8,712	\$1,880,713	1.0000	50	\$1,880,713	\$319,875	\$22,905	\$2,223,494	0.959	\$2,318,936	\$47,219	\$2,271,717	\$2,613,725	\$2,725,918	83.3%	\$260.76	\$312.89								
Feb-13	4,853	8,578	\$1,995,477	1.0000	50	\$1,995,477	\$302,711	\$22,454	\$2,320,641	0.960	\$2,417,290	\$46,493	\$2,370,797	\$2,574,654	\$2,681,881	88.4%	\$276.38	\$312.65								
Mar-13	4,742	8,379	\$1,644,120	1.0000	50	\$1,644,120	\$319,566	\$22,919	\$2,006,605	0.961	\$2,065,769	\$45,008	\$2,020,761	\$2,627,887	\$2,735,297	76.9%	\$241.12	\$313.55	82.9%	\$259.57	\$313.03					
Apr-13	4,696	8,304	\$1,513,006	1.0000	50	\$1,513,006	\$331,889	\$21,817	\$1,906,712	0.962	\$1,966,712	\$45,008	\$1,921,704	\$2,618,274	\$2,733,117	115.0%	\$273.17	\$313.65	79.9%	\$250.48	\$313.82					
May-13	4,573	8,073	\$2,542,332	1.0000	50	\$2,542,332	\$331,379	\$21,188	\$2,894,899	0.964	\$3,004,423	\$43,756	\$2,960,668	\$2,458,560	\$2,551,576	116.0%	\$366.74	\$316.06	88.7%	\$279.42	\$314.96					
Jun-13	4,396	7,776	\$1,714,814	1.0000	50	\$1,714,814	\$325,170	\$20,350	\$2,060,334	0.965	\$2,135,677	\$42,146	\$2,093,531	\$2,378,591	\$2,465,572	84.9%	\$269.23	\$317.07	91.6%	\$289.42	\$316.13					
Jul-13	4,266	7,505	\$1,727,790	1.0000	50	\$1,727,790	\$359,295	\$19,794	\$2,106,879	0.966	\$2,181,265	\$40,813	\$2,140,453	\$2,316,781	\$2,398,578	89.2%	\$284.26	\$318.54	97.0%	\$307.74	\$317.20					
Aug-13	4,205	7,426	\$1,970,340	1.0000	50	\$1,970,340	\$355,179	\$19,431	\$2,344,950	0.967	\$2,424,790	\$40,249	\$2,384,541	\$2,286,620	\$2,364,474	100.8%	\$321.11	\$318.40	91.6%	\$291.15	\$317.99					
Sep-13	4,075	7,246	\$1,979,496	1.0000	50	\$1,979,496	\$359,295	\$19,794	\$2,344,950	0.968	\$2,424,790	\$40,249	\$2,384,541	\$2,316,781	\$2,398,578	94.8%	\$307.74	\$318.54	95.0%	\$307.74	\$318.54					
Oct-13	4,042	7,097	\$1,440,301	1.0000	50	\$1,440,301	\$347,664	\$18,646	\$1,806,611	0.969	\$1,863,589	\$38,466	\$1,825,124	\$2,210,867	\$2,280,595	80.0%	\$257.17	\$321.35	92.0%	\$294.45	\$319.96					
Nov-13	4,019	7,034	\$2,303,184	0.9997	\$608	\$2,303,793	\$330,974	\$18,351	\$2,653,117	0.971	\$2,733,478	\$38,124	\$2,695,353	\$2,197,721	\$2,264,288	119.0%	\$383.19	\$321.91	97.9%	\$314.43	\$321.15					
Dec-13	3,902	6,860	\$1,613,200	0.9997	\$485	\$1,613,685	\$390,920	\$17,816	\$2,022,421	0.972	\$2,081,157	\$37,181	\$2,043,976	\$2,195,098	\$2,258,489	90.5%	\$297.42	\$323.78	96.5%	\$312.73	\$324.13					
Jan-14	3,748	6,581	\$1,558,509	0.9997	\$445	\$1,558,954	\$240,558	\$17,910	\$1,817,421	0.973	\$1,867,943	\$35,669	\$1,832,274	\$2,081,708	\$2,139,576	85.6%	\$278.42	\$325.11	1.068	\$68.86	\$320.96					
Feb-14	3,717	6,513	\$1,401,195	0.9998	\$315	\$1,401,511	\$263,073	\$17,909	\$1,682,493	0.974	\$1,727,176	\$35,300	\$1,691,876	\$2,068,309	\$2,123,239	79.7%	\$259.77	\$326.00	94.0%	\$5.45	\$279.05					
Mar-14	3,624	6,258	\$1,275,528	0.9997	\$423	\$1,275,943	\$240,429	\$17,251	\$1,513,141	0.975	\$1,577,507	\$34,440	\$1,543,067	\$2,076,891	\$2,139,576	110.0%	\$273.17	\$326.00	100.0%	\$273.17	\$326.00					
Apr-14	3,589	6,279	\$1,519,469	0.9997	\$441	\$1,519,510	\$279,354	\$16,812	\$1,816,076	0.976	\$1,859,817	\$34,032	\$1,825,785	\$2,193,523	\$2,240,537	89.4%	\$290.78	\$325.14	1.247	\$85.95	\$279.93					
May-14	3,498	6,092	\$1,556,687	0.9998	\$385	\$1,557,072	\$299,364	\$16,203	\$1,872,640	0.978	\$1,915,436	\$33,019	\$1,882,417	\$1,936,041	\$1,980,287	95.1%	\$309.00	\$325.06	0.843	91.0%	\$296.40					
Jun-14	3,419	5,955	\$1,349,510	0.9998	\$304	\$1,349,814	\$248,944	\$15,750	\$1,614,509	0.979	\$1,649,422	\$32,276	\$1,617,146	\$1,862,335	\$1,923,040	84.1%	\$271.56	\$322.93	1.009	\$86.0%	\$290.59					
Jul-14	3,299	5,709	\$1,282,640	0.9996	\$1,272	\$1,283,911	\$325,966	\$14,968	\$1,624,845	0.980	\$1,669,788	\$30,943	\$1,638,845	\$1,815,386	\$1,852,418	198.0%	\$642.47	\$324.47	2.260	124.5%	\$403.66					
Aug-14	3,250	5,607	\$2,181,296	0.9997	\$654	\$2,181,950	\$305,368	\$14,577	\$2,501,895	0.981	\$2,549,871	\$30,390	\$2,519,481	\$1,787,253	\$1,821,526	138.8%	\$345.35	\$324.87	1.399	139.4%	\$451.88					
Sep-14	3,169	5,446	\$1,329,152	0.9998	\$304	\$1,329,152	\$304,154	\$14,164	\$1,637,316	0.982	\$1,674,590	\$29,226	\$1,645,364	\$1,744,598	\$1,789,804	104.0%	\$324.74	\$324.74	1.000	104.0%	\$448.85					
Oct-14	3,162	5,457	\$1,262,243	0.9995	\$615	\$1,262,858	\$320,153	\$14,095	\$1,597,106	0.984	\$1,623,840	\$29,577	\$1,594,263	\$1,751,293	\$1,780,608	89.5%	\$292.15	\$326.30	1.136	107.6%	\$350.21					
Nov-14	3,110	5,348	\$1,275,528	0.9992	\$1,019	\$1,276,546	\$290,847	\$13,725	\$1,581,118	0.985	\$1,605,664	\$28,986	\$1,576,678	\$1,711,305	\$1,737,873	90.7%	\$294.82	\$324.96	0.769	91.5%	\$297.84					
Dec-14	3,157	5,446	\$1,397,793	0.9984	\$2,215	\$1,400,209	\$377,919	\$13,802	\$1,791,390	0.986	\$1,817,579	\$29,517	\$1,788,061	\$1,745,356	\$1,770,338	101.0%	\$328.33	\$325.07	1.102	93.8%	\$305.15					
Jan-15	2,745	4,749	\$1,392,794	0.9981	\$2,497	\$1,345,271	\$184,798	\$11,442	\$1,541,511	0.987	\$1,561,712	\$33,623	\$1,528,089	\$1,507,332	\$1,527,086	100.1%	\$327.17	\$321.56	1.156	97.7%	\$314.79					
Feb-15	2,798	4,792	\$1,392,794	0.9982	\$2,497	\$1,345,271	\$184,798	\$11,442	\$1,541,511	0.988	\$1,561,712	\$33,623	\$1,528,089	\$1,507,332	\$1,527,086	100.1%	\$327.17	\$321.56	1.156	97.7%	\$314.79					
Mar-15	2,733	4,698	\$1,290,784	0.9967	\$4,231	\$1,295,015	\$225,037	\$11,109	\$1,531,161	0.989	\$1,547,539	\$33,262	\$1,514,278	\$1,563,220	\$1,579,941	95.8%	\$322.32	\$336.30	1.112	93.7%	\$310.67					
Apr-15	2,746	4,731	\$1,039,353	0.9950	\$5,237	\$1,044,590	\$264,075	\$11,150	\$1,319,814	0.991	\$1,332,348	\$33,495	\$1,298,853	\$1,582,704	\$1,597,735	81.3%	\$274.54	\$337.72	0.944	87.5%	\$294.89					
May-15	2,733	4,696	\$1,183,525	0.9944	\$6,723	\$1,190,249	\$257,373	\$11,044	\$1,458,665	0.992	\$1,470,772	\$33,248	\$1,437,524	\$1,576,464	\$1,589,549	90.4%	\$306.12	\$338.49	0.991	89.2%	\$300.93					
Jun-15	2,714	4,681	\$983,953	0.9927	\$7,196	\$991,149	\$322,417	\$11,006	\$1,324,572	0.993	\$1,333,984	\$33,141	\$1,300,843	\$1,576,782	\$1,587,986	81.9%	\$277.90	\$332.24	1.023	84.5%	\$286.17					
Jul-15	2,695	4,632	\$1,365,129	0.9886	\$15,721	\$1,380,850	\$301,668	\$10,906	\$1,693,424	0.994	\$1,703,440	\$32,396	\$1,671,044	\$1,567,366	\$1,576,636	106.0%	\$359.09	\$338.92	0.559	92.7%	\$314.27					
Aug-15	2,713	4,636	\$1,400,939	0.9889	\$15,721	\$1,380,850	\$301,668	\$10,906	\$1,693,424	0.995	\$1,703,440	\$32,396	\$1,671,044	\$1,567,366	\$1,576,636	106.0%	\$359.09	\$338.92	0.559	92.7%	\$314.27					
Sep-15	2,688	4,632	\$1,338,100	0.9483	\$7,209	\$1,341,109	\$346,162	\$10,847	\$1,768,019	0.996	\$1,774,279	\$32,795	\$1,741,484	\$1,575,902	\$1,581,481	110.1%	\$357.97	\$343.14	1.227	105.5%	\$339.26					
Oct-15	2,647	4,550	\$1,054,098	0.9342	\$74,192	\$1,128,289	\$354,577	\$10,574	\$1,493,440	0.998	\$1,496,961	\$32,214	\$1,464,747	\$1,559,439	\$1,563,115	93.7%	\$321.92	\$343.54	1.102	101.5%	\$347.07					
Nov-15	2,645	4,517	\$1,302,151	0.8875	\$165,050	\$1,467,201	\$273,144	\$10,467	\$1,750,812	0.999	\$1,752,873	\$31,980	\$1,720,893	\$1,548,229	\$1,550,052	111.0%	\$380.98	\$343.16	1.292	100.5%	\$359.67					
Dec-15	2,707	4,619	\$966,727	0.6658	\$485,259	\$1,451,986	\$332,404	\$10,501	\$1,794,891	1.000	\$1,794,891	\$32,703	\$1,762,189	\$1,598,003	\$1,598,003	110.3%	\$381.51	\$345.96	1.162	105.0%	\$361.52					
2013	52,686	92,972	\$22,157,692			\$1,093	\$22,158,786	\$4,079,336	\$243,539	\$26,841,661	1.036	\$27,434,339	\$503,908	\$26,930,431	\$28,510,916	\$29,543,743	91.2%	\$289.66	\$317.77							
2014	40,742	70,811	\$16,886,962			\$8,392	\$16,895,353	\$3,523,415	\$187,165	\$23,405,934	1.027	\$23,897,873	\$383,796	\$23,514,078	\$22,542,807	\$23,023,355	102.1%	\$332.07	\$325.14							
2015	32,524	55,958	\$14,316,611			\$872,655	\$15,189,071	\$3,373,141	\$31,124	\$18,693,446	1.001	\$18,810,111	\$396,183	\$18,413,928	\$22,852,053	\$19,477,489	97.2%	\$322.07	\$338.60							

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 3: Normalized Benefit Adjustment - Non Grandfathered 2-49

Incurred January 1, 2015 through December 31, 2015, paid through January 31, 2016

Month	Net Paid (Estimated Incurred)	Total Allowed	Net Paid/Total Allowed	Index	Least Squares Increment	Benefit Adjustment (Normalized)
Jan-13	\$2,223,494	\$3,085,361	0.721	1	0.7827	0.9588
Feb-13	\$2,320,641	\$3,079,024	0.754	2	0.7837	0.9600
Mar-13	\$1,985,605	\$2,675,903	0.742	3	0.7847	0.9612
Apr-13	\$1,906,712	\$2,553,465	0.747	4	0.7856	0.9624
May-13	\$2,894,899	\$3,551,185	0.815	5	0.7866	0.9635
Jun-13	\$2,060,334	\$2,566,569	0.803	6	0.7875	0.9647
Jul-13	\$2,106,879	\$2,660,118	0.792	7	0.7885	0.9659
Aug-13	\$2,344,950	\$2,873,926	0.816	8	0.7895	0.9671
Sep-13	\$2,155,998	\$2,616,936	0.824	9	0.7904	0.9682
Oct-13	\$1,806,611	\$2,242,095	0.806	10	0.7914	0.9694
Nov-13	\$2,653,117	\$3,079,017	0.862	11	0.7923	0.9706
Dec-13	\$2,022,421	\$2,453,645	0.824	12	0.7933	0.9718
Jan-14	\$1,817,421	\$2,452,662	0.741	13	0.7943	0.9730
Feb-14	\$1,682,493	\$2,219,006	0.758	14	0.7952	0.9741
Mar-14	\$1,831,142	\$2,389,004	0.766	15	0.7962	0.9753
Apr-14	\$1,816,076	\$2,411,471	0.753	16	0.7971	0.9765
May-14	\$1,872,640	\$2,374,951	0.788	17	0.7981	0.9777
Jun-14	\$1,614,509	\$2,008,671	0.804	18	0.7991	0.9788
Jul-14	\$3,624,845	\$4,059,088	0.893	19	0.8000	0.9800
Aug-14	\$2,501,895	\$2,928,695	0.854	20	0.8010	0.9812
Sep-14	\$1,674,759	\$2,112,270	0.793	21	0.8019	0.9824
Oct-14	\$1,597,106	\$2,040,523	0.783	22	0.8029	0.9835
Nov-14	\$1,581,118	\$1,938,613	0.816	23	0.8039	0.9847
Dec-14	\$1,791,930	\$2,220,372	0.807	24	0.8048	0.9859
Jan-15	\$1,541,511	\$2,085,055	0.739	25	0.8058	0.9871
Feb-15	\$1,382,211	\$1,814,822	0.762	26	0.8067	0.9882
Mar-15	\$1,531,161	\$1,975,592	0.775	27	0.8077	0.9894
Apr-15	\$1,319,814	\$1,742,036	0.758	28	0.8087	0.9906
May-15	\$1,458,665	\$1,840,392	0.793	29	0.8096	0.9918
Jun-15	\$1,324,572	\$1,700,711	0.779	30	0.8106	0.9929
Jul-15	\$1,693,424	\$2,067,328	0.819	31	0.8115	0.9941
Aug-15	\$1,634,925	\$1,992,495	0.821	32	0.8125	0.9953
Sep-15	\$1,768,019	\$2,136,101	0.828	33	0.8135	0.9965
Oct-15	\$1,493,440	\$1,867,036	0.800	34	0.8144	0.9976
Nov-15	\$1,750,812	\$2,091,518	0.837	35	0.8154	0.9988
Dec-15	\$1,794,891	\$2,198,724	0.816	36	0.8163	1.0000
trended			0.812	37		
trended			0.813	38		
2013	\$26,481,661	\$33,437,245	0.792			
2014	\$23,405,934	\$29,155,327	0.803			
2015	\$18,693,446	\$23,511,809	0.795			

Baptist Health Plan, Inc.

Individual Rate Filing

Effective January 2017

Attachment 4: Risk Adjustment - contributions and payments

Risk Adjustment

Summary: This program transfers funds, within a state, from lowest risk plans to highest risk plans for Non-Grandfathered Individual and Small Group plans inside and outside the Exchange.

	PMPM
Fee	\$0.13
Expected Payments	\$19.66
Net Impact	\$19.79

Total of all Risk Mitigation Programs	\$19.79
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		Metallic Plans		Source	Statewide avg premium		
Statewide Average Premium PMPM		\$402.76		Projected (see right)	2014	\$325.36	CMS report
					Trend IVL	24%	Assumption
					Annualized	7%	Calculated
					2017	\$402.76	Calculated
<u>Adjustments without Risk Selection</u>		Statewide	Plan	State	<u>IDF Development</u>		
Metallic Level Actuarial Value	0.758	0.758		CMS report 2014	Assuming the majority of enrollment is in Silver or Gold, we can approximate the enrollment		
Allowable Rating Factor	1.683	1.688		CMS report 2014	in Silver vs Gold based on AV:		
Induced Demand Factor	1.059	1.059		Assumption	Statewide	Plan	
Geographic Cost Factor	1.000	1.000		Assumption	% in Silver	42%	42%
Adjustment Factor without Risk Selection	1.351	1.355		Calculated	% in Gold	58%	58%
Expected Plan Premium PMPM without Risk Selection		\$404.05		Calculated	Induced Demand	1.059	1.059
<u>Adjustments with Risk Selection</u>		Statewide	Plan		<u>Risk Score Projection</u>		
Risk Score	1.958	1.868			Statewide	Plan	
Induced Demand Factor	1.059	1.059			2014	1.830	1.830 CMS report
Geographic Cost Factor	1.000	1.000			New Entrant	1.00	0.90 Assumption
Adjustment Factor with Risk Selection	2.073	1.978		Calculated	Market Dynamics	1.01	0.99 Assumption
Expected Plan Premium PMPM with Risk Selection		\$384.38		Calculated	Coding Improvement	1.06	1.15 Assumption
Transfer Payment to (from) Plan PMPM		(\$19.66)		Calculated	Est 2017	1.958	1.868 Calculated
Risk Adjustment User Fee		(\$0.13)		From 2017 Rule			
Transfer Payments Net of User Fees		(\$19.79)		Calculated			

Baptist Health Plan, Inc.
Individual Rate Filing
Effective January 2017
Attachment 5: Administrative Expenses

	\$ Admin	% Admin
REDACTED		
Fixed Admin, Risk, Profit and Fees	\$51.20	
Variable Admin, Risk, Profit and Fees		2.94%

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 6: Calibration Factors

Average 2016 Rating factors for population:

Rating Factor	Average Value
Age	1.716
Area	1.017
Calibration	1.745
Tobacco	1.065
Total Average Rating Factor	1.859

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 7: Trend Development

Total Allowed - All Group Commercial Experience

		2013	2014	% change	2015	% change	Est 2016	Est Annual Trend	Est 2017	Est Annual Trend
Inpatient	PMPM	\$75.57	\$75.88	0.4%	\$73.74	-2.8%	\$75.95	3.0%	\$78.23	3.0%
	Days/1000	225.7	210.0	-6.9%	188.4	-10.3%	188.4	0.0%	188.4	0.0%
	Cost/day	\$4,019	\$4,336	7.9%	\$4,698	8.3%	\$4,839	3.0%	\$4,984	3.0%
	LOS	4.70	4.65	-1.2%	4.07	-12.4%	4.07	0.0%	4.07	0.0%
Outpatient	PMPM	\$127.54	\$133.21	4.4%	\$138.95	4.3%	\$147.29	6.0%	\$157.69	7.1%
	Cases/1000	1170.9	1160.8	-0.9%	1193.7	2.8%	1193.7	0.0%	1205.6	1.0%
	Cost/Case	\$1,307	\$1,377	5.4%	\$1,397	1.4%	\$1,481	6.0%	\$1,569	6.0%
Professional	PMPM	\$93.04	\$96.81	4.1%	\$97.92	1.2%	\$101.84	4.0%	\$106.97	5.0%
	Services/1000	6931.0	6744.4	-2.7%	6739.4	-0.1%	6739.4	0.0%	6806.8	1.0%
	Cost/Service	\$161	\$172	6.9%	\$174	1.2%	\$181	4.0%	\$189	4.0%
Other	PMPM	\$19.31	\$20.54	6.4%	\$23.24	13.2%	\$24.88	7.1%	\$26.64	7.1%
	Services/1000	1316.1	1320.0	0.3%	1311.0	-0.7%	1324.1	1.0%	1337.3	1.0%
	Cost/Service	\$176	\$187	6.1%	\$213	13.9%	\$226	6.0%	\$239	6.0%
Total FFS	PMPM	\$315.47	\$326.45	3.5%	\$333.85	2.3%	\$349.96	4.8%	\$369.53	5.6%
Chiropractic	PMPM	\$0.80	\$0.87	8.3%	\$0.81	-6.8%	\$0.85	5.1%	\$0.89	5.1%
Home Health	PMPM	\$0.40	\$0.43	7.5%	\$0.43	-0.1%	\$0.43	-0.1%	\$0.43	0.0%
Optum N&M	PMPM	\$1.41	\$1.45	2.6%	\$1.49	2.9%	\$1.50	1.1%	\$1.52	1.1%
Total Capitation	PMPM	\$2.61	\$2.74	5.1%	\$2.72	-0.6%	\$2.78	2.1%	\$2.84	2.1%
Rx Drugs PMPM	Total Rx	\$70.46	\$73.91	4.9%	\$84.73	14.6%	\$93.70	10.6%	\$105.55	12.6%
	Scripts PMPM	\$1.08	\$1.10	2.1%	\$1.13	2.6%	\$1.16	2.4%	\$1.19	2.4%
	Cost/Script	\$65.32	\$67.11	2.7%	\$74.97	11.7%	\$80.96	8.0%	\$89.06	10.0%
Grand Total	PMPM	\$388.54	\$403.10	3.7%	\$421.31	4.5%	\$446.45	6.0%	\$477.92	7.0%
Trend Factor								12 months 1.060	12 months 1.070	24 months 1.134

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 8: Area Factors

	Area Rating Factor
Area1	1.09
Area2	1.05
Area3	1.04
Area5	1.00
Area8	1.18

Minimum 1.00

Maximum 1.18

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 9: Age and Tobacco Factors

Age Band	Age Rating Factor	Tobacco Rating Factor
0-20	0.635	1.0000
21	1.000	1.1694
22	1.000	1.1694
23	1.000	1.1694
24	1.000	1.1694
25	1.004	1.1694
26	1.024	1.1694
27	1.048	1.1694
28	1.087	1.1694
29	1.119	1.1694
30	1.135	1.1694
31	1.159	1.1694
32	1.183	1.1694
33	1.198	1.1694
34	1.214	1.1694
35	1.222	1.1855
36	1.230	1.1855
37	1.238	1.1855
38	1.246	1.1855
39	1.262	1.1855
40	1.278	1.2096
41	1.302	1.2096
42	1.325	1.2096
43	1.357	1.2096
44	1.397	1.2096
45	1.444	1.2096
46	1.500	1.2096
47	1.563	1.2096
48	1.635	1.2096
49	1.706	1.2096
50	1.786	1.2460
51	1.865	1.2460
52	1.952	1.2460
53	2.040	1.2460
54	2.135	1.2460
55	2.230	1.2556
56	2.333	1.2556
57	2.437	1.2556
58	2.548	1.2556
59	2.603	1.2556
60	2.714	1.3498
61	2.810	1.3498
62	2.873	1.3498
63	2.952	1.3498
64	3.000	1.3498
65+	3.000	1.3498

Minimum	0.635	1.0000
Maximum	3.000	1.3498

Baptist Health Plan, Inc.
Individual Rate Filing
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Attachment 10: High-level Plan Designs

HIOS Plan ID	Off Exchange Plan Code	On Exchange Plan Code	Metal Level	Exchange		Full Plan Name	Accum	In-Network												Pharmacy				
								Deductible Individual	Out of Pocket Limit Individual	Coins	Inpatient Hospital Services	Outpatient Facility	PCP Office Visit	Specialist Office Visit	Emergency Room Services	Deductible	Generics	Preferred Brand	Non-Preferred Brand	Specialty				
40586KY820001	KI170225	KK170225	Gold	On and Off		Baptist Select Gold HMO 1500 \$10 Embedded Baptist Health Community Care Network	Embed	\$1,500	\$5,500	80%	ded/80%	ded/80%	\$10	\$40	\$250	\$500	\$12	ded/\$30	ded/70%	ded/40%				
40586KY820002	KI170227	KK170227	Silver	On and Off		Baptist Select Silver HMO 4000 \$20 Embedded Baptist Health Community Care Network	Embed	\$4,000	\$6,850	90%	ded/90%	ded/90%	\$20	\$40	ded/90%	\$750	\$15	ded/\$45	ded/60%	ded/40%				
40586KY820003	KI170232	KK170232	Silver	On and Off		Baptist Select Silver HMO 3000 10% Embedded Baptist Health Community Care Network	Embed	\$3,000	\$6,500	90%	ded/90%/5500	ded/90%	ded/90%	ded/90%	ded/90%/5250	Integrated	ded/90%	ded/90%	ded/90%	ded/90%				
40586KY820004	KI170237	KK170237	Silver	On and Off		Baptist Select Silver HMO 4500 \$20 Embedded Baptist Health Community Care Network	Embed	\$4,500	\$6,850	80%	ded/80%	ded/80%	\$20	\$40	ded/80%	\$1,000	\$15	ded/\$45	ded/60%	ded/40%				
40586KY820005	KI170242	KK170242	Bronze	On and Off		Baptist Select Bronze HMO 6500 \$40 Embedded Baptist Health Community Care Network	Embed	\$6,500	\$7,150	65%	\$1,000	ded/65%	\$40	ded/65%	ded/65%	Integrated	\$20	ded/\$60	ded/60%	ded/40%				
40586KY820006	KI170244	KK170244	Bronze	On and Off		Baptist Select Bronze HMO 6850 0% Embedded Baptist Health Community Care Network	Embed	\$6,850	\$6,850	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%	ded/100%	ded/100%	ded/100%				
40586KY820007	KI170255	KK170255	Catastrophic	On and Off		Baptist Select Catastrophic HMO 7150 \$40 Embedded Baptist Health Community Care Network	Embed	\$7,150	\$7,150	100%	ded/100%	ded/100%	\$40 copay first 3 visits	ded/100%	ded/100%	Integrated	ded/100%	ded/100%	ded/100%	ded/100%				
40586KY820014	KI170246	KK170246	Silver	On and Off		Baptist Select Silver HSA 3000 20% Embedded Baptist Health Community Care Network	Embed	\$3,000	\$4,500	80%	ded/80%	ded/80%	ded/80%	ded/80%	ded/80%	Integrated	ded/80%	ded/80%	ded/80%	ded/80%				
40586KY820015	KI170251	KK170251	Bronze	On and Off		Baptist Select Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	Embed	\$5,450	\$6,550	80%	ded/80%	ded/80%	ded/80%	ded/80%	ded/80%	Integrated	ded/80%	ded/80%	ded/80%	ded/80%				
40586KY820016	KI170253	KK170253	Bronze	On and Off		Baptist Select Bronze HSA 6500 0% Embedded Baptist Health Community Care Network	Embed	\$6,500	\$6,500	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%	ded/100%	ded/100%	ded/100%				
40586KY830003	KI177326		Bronze	Off		Baptist Select Bronze PPO/HSA 6500 0% Embedded Baptist Health Community Care Network	Embed	\$6,500	\$6,500	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%	ded/100%	ded/100%	ded/100%				

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Attachment 11: Benefit Plan Factors

HIOS Plan ID	Off Exchange Plan Code	On Exchange Plan Code	Metal Level	Exchange	Full Plan Name	Areas offered	Benefit Plan Factor
40586KY5820001	KI170225	KK170225	Gold	On and Off	Baptist Select Gold HMO 1500 \$10 Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	1.1809
40586KY5820002	KI170227	KK170227	Silver	On and Off	Baptist Select Silver HMO 4000 \$20 Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	1.0396
40586KY5820003	KI170232	KK170232	Silver	On and Off	Baptist Select Silver HMO 3000 10% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	1.0850
40586KY5820004	KI170237	KK170237	Silver	On and Off	Baptist Select Silver HMO 4500 \$20 Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	1.0016
40586KY5820005	KI170242	KK170242	Bronze	On and Off	Baptist Select Bronze HMO 6500 \$40 Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.9020
40586KY5820006	KI170244	KK170244	Bronze	On and Off	Baptist Select Bronze HMO 6850 0% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.8912
40586KY5820007	KI170255	KK170255	Catastrophic	On and Off	Baptist Select Catastrophic HMO 7150 \$40 Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.8763
40586KY5820014	KI170246	KK170246	Silver	On and Off	Baptist Select Silver HSA 3000 20% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	1.0057
40586KY5820015	KI170251	KK170251	Bronze	On and Off	Baptist Select Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.8565
40586KY5820016	KI170253	KK170253	Bronze	On and Off	Baptist Select Bronze HSA 6500 0% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.8696
40586KY5830003	KI177326		Bronze	Off	Baptist Select Bronze PPO/HSA 6500 0% Embedded Baptist Health Community Care Network	Rating Areas 1, 2, 3, 5, 8	0.9658

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Attachment 12: Market Adjusted Index Rate Development

Index Rate	\$433.58 Att 1
+ Risk Adjustment Fee	\$0.13 Att 4
+ Risk Adjustment Net Transfer	\$19.66 Att 4
+ GAP Fee	\$1.95 Att 5
+ Exchange User Fee	\$5.61 Att 5
Risk Mitigation and Fees	\$27.35
÷ Paid to Allowed Ratio	0.709
Allowed Risk Mitigation and Fees	\$38.57
= Market Adjusted Index Rate	\$472.15

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Attachment 13: Plan Adjusted Index Rates and Consumer Adjusted Premiums

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Att 11			Att 5	Att 5	see Note	Att 6	= (6) ÷ (7)

HIOS Plan ID	Plan	Market		Provider		Plan Adjusted Index Rate	Calibration Factor	Consumer Adjusted Premium
		Adjusted Index Rate	Cost Sharing Adjustment	Network Adjustment	\$ Admin % Admin			
40586KY5820001	Baptist Select Gold HMO 1500 \$10 Embedded Baptist Health Community Care Network	\$472.15	0.7980	1.00	\$51.20 1%	\$432.30	1.75	\$247.70
40586KY5820002	Baptist Select Silver HMO 4000 \$20 Embedded Baptist Health Community Care Network	\$472.15	0.6895	1.00	\$51.20 1%	\$380.58	1.75	\$218.07
40586KY5820003	Baptist Select Silver HMO 3000 10% Embedded Baptist Health Community Care Network	\$472.15	0.7244	1.00	\$51.20 1%	\$397.18	1.75	\$227.58
40586KY5820004	Baptist Select Silver HMO 4500 \$20 Embedded Baptist Health Community Care Network	\$472.15	0.6604	1.00	\$51.20 1%	\$366.65	1.75	\$210.09
40586KY5820005	Baptist Select Bronze HMO 6500 \$40 Embedded Baptist Health Community Care Network	\$472.15	0.5839	1.00	\$51.20 1%	\$330.19	1.75	\$189.20
40586KY5820006	Baptist Select Bronze HMO 6850 0% Embedded Baptist Health Community Care Network	\$472.15	0.5756	1.00	\$51.20 1%	\$326.25	1.75	\$186.93
40586KY5820007	Baptist Select Catastrophic HMO 7150 \$40 Embedded Baptist Health Community Care Network	\$472.15	0.5641	1.00	\$51.20 1%	\$320.77	1.75	\$183.80
40586KY5820014	Baptist Select Silver HSA 3000 20% Embedded Baptist Health Community Care Network	\$472.15	0.6635	1.00	\$51.20 1%	\$368.15	1.75	\$210.95
40586KY5820015	Baptist Select Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	\$472.15	0.5490	1.00	\$51.20 1%	\$313.53	1.75	\$179.65
40586KY5820016	Baptist Select Bronze HSA 6500 0% Embedded Baptist Health Community Care Network	\$472.15	0.5590	1.00	\$51.20 1%	\$318.31	1.75	\$182.39
40586KY5830003	Baptist Select Bronze PPO/HSA 6500 0% Embedded Baptist Health Community Care Network	\$472.15	0.5407	1.17	\$51.20 1%	\$353.54	1.75	\$202.57

Note: Plan Adjusted Index Rate = $\frac{[(1) \times (2) \times (3) + (4)]}{[1 - (5)]}$

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Attachment 14: Sample Rate Calculation

Effective Date 1/1/2017
On/Off Exchange On
Metal Level Gold
Plan ID 40586KY5820001
Rating Area 1

Covered Members

	Age	Tobacco User
Subscriber	35	Yes
Spouse	32	No
Child #1	5	No
Child #2	7	No
Child #3	9	No

Base Rate \$209.75 Att 1
x Benefit Plan Factor 1.1809 Att 11
x Area Factor 1.09 Att 8

Plan/Area adjusted base rate \$269.99

Age/Tobacco Factors (Att 9)

	Age	Tobacco User
Subscriber	1.222	1.1855
Spouse	1.183	1.0000
Child #1	0.635	1.0000
Child #2	0.635	1.0000
Child #3	0.635	1.0000

Final Monthly Premium

	PMPM
Subscriber	\$391.12
Spouse	\$319.39
Child #1	\$171.44
Child #2	\$171.44
Child #3	\$171.44
Total PMPM	<u>\$1,224.84</u>

Note: When computing family premiums, no more than the three oldest covered children under the age of 21 are taken into account, whereas the premiums associated with each child age 21+ are included.

Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 15: Federal MLR Projections

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Baptist Health Plan, Inc.

Individual Rate Filing

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Attachment 16: Terminated Plans

HIOS ID	Off Exchange Plan ID	On Exchange Plan ID	Product Type	HSA-Eligible
40586KY5830001	KI167155	KK167155	PPO	Y
40586KY5830002	KI167160	KK167160	PPO	Y

Baptist Health Plan, Inc.
Individual Rate Filing
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Attachment 17: Minimum and Maximum Premiums

Member Months
Projected Earned Premium
Projected Incurred Claims

131,888	= (2)
\$51,428,528	= Member Months x Required Premium
\$40,554,085	= Member Months x Projected Claims

	Annual PMPM	
Min	\$114.08	= Minimum of (7)
Max	\$1,183.55	= Maximum of (11)
Weighted Avg	\$389.94	= Required Premium

Projected Claims
Required Premium
Base Rate

\$307.49 Att 1
\$389.94 Att 1
\$209.75 Att 1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Plan Name	Proj Member Months	Benefit Plan Factor	Minimum Area Factor	Minimum Age Factor	Minimum Tobacco Factor	Minimum Premium	Maximum Area Factor	Maximum Age Factor	Maximum Tobacco Factor	Maximum Premium
Baptist Select Gold HMO 1500 \$10 Embedded Baptist Health Community Care Network	19,983	1.1809	1.00	0.635	1.0000	\$157.29	1.18	3.000	1.3498	\$1,183.55
Baptist Select Silver HMO 4000 \$20 Embedded Baptist Health Community Care Network	16,876	1.0396	1.00	0.635	1.0000	\$138.47	1.18	3.000	1.3498	\$1,041.94
Baptist Select Silver HMO 3000 10% Embedded Baptist Health Community Care Network	2,484	1.0850	1.00	0.635	1.0000	\$144.51	1.18	3.000	1.3498	\$1,087.44
Baptist Select Silver HMO 4500 \$20 Embedded Baptist Health Community Care Network	42,466	1.0016	1.00	0.635	1.0000	\$133.40	1.18	3.000	1.3498	\$1,003.85
Baptist Select Bronze HMO 6500 \$40 Embedded Baptist Health Community Care Network	2,929	0.9020	1.00	0.635	1.0000	\$120.14	1.18	3.000	1.3498	\$904.03
Baptist Select Bronze HMO 6850 0% Embedded Baptist Health Community Care Network	1,413	0.8912	1.00	0.635	1.0000	\$118.70	1.18	3.000	1.3498	\$893.20
Baptist Select Catastrophic HMO 7150 \$40 Embedded Baptist Health Community Care Network	48	0.8763	1.00	0.635	1.0000	\$116.72	1.18	3.000	1.3498	\$878.27
Baptist Select Silver HSA 3000 20% Embedded Baptist Health Community Care Network	15,704	1.0057	1.00	0.635	1.0000	\$133.95	1.18	3.000	1.3498	\$1,007.96
Baptist Select Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	22,715	0.8565	1.00	0.635	1.0000	\$114.08	1.18	3.000	1.3498	\$858.42
Baptist Select Bronze HSA 6500 0% Embedded Baptist Health Community Care Network	7,258	0.8696	1.00	0.635	1.0000	\$115.82	1.18	3.000	1.3498	\$871.55
Baptist Select Bronze PPO/HSA 6500 0% Embedded Baptist Health Community Care Network	12	0.9658	1.00	0.635	1.0000	\$128.64	1.18	3.000	1.3498	\$967.97